STATE OF LOUISIANA DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

P. O. Box 94245
Baton Rouge, Louisiana 70804-9245



M. J. "MIKE" FOSTER, JR. GOVERNOR

September 18, 2002

KAM K. MOVASSAGHI SECRETARY

Docket Management Facility (USCG 1998-3884)— 14 U.S. Department of Transportation Room PL-401 400 Seventh Street SW. Washington D.C. 20590-0001

Re: Deepwater Ports: Notice of Proposed Rulemaking and Request for Comments (USCG-51998-3884)

Dear Sir/Madam:

The Louisiana Offshore Terminal Authority ("LOTA") submits the following comments in response to the above-referenced Notice of Proposed Rulemaking ("NPRM"). LOOP, the only deepwater port licensed under the Deepwater Port Act, is located off the coast of Louisiana and LOTA is the agency within the government of the State of Louisiana responsible for regulation and oversight of LOOP. Thus, LOTA is both familiar with and vitally interested in the federal regulation of deepwater ports.

We are pleased by the Coast Guard's decision to move forward with this important rulemaking and are supportive of its efforts to streamline and make consistent the deepwater port regulations as required by the Deepwater Port Modernization Act. We urge the Coast Guard to complete this rulemaking promptly. Although Congress is currently considering amending the Deepwater Port Act to explicitly include deepwater ports that accept and transport natural gas and that if successful such action would precipitate the Coast Guard revisiting the Regulations and amending them further. Nonetheless, we encourage the Coast Guard to complete the present rulemaking before addressing and incorporating the transportation of natural gas.

PAGE

Docket Management Facility (USCG 1998-3884) September 18, 2002 Page 2

The Deepwater Port Modernization Act altered the regulatory framework so that a deepwater port's license and operations manual, rather than regulations, are the favored vehicle or source of regulatory authority. In our experience this makes perfect sense since many of the subjects regulated are port specific in nature and as such best addressed in the operations manual or license. We are particularly supportive of the Coast Guards decision to move much of the present regulation into the operations manual. Nonetheless, there are subjects remaining in the NPRM that are quintessential examples of subjects most properly addressed in the operations manual. These include the extensive personnel, oil transfer, and navigation and surveillance requirements. Our experience, in regulating and overseeing LOOP, is that these elements of deepwater port operation are best regulated at a level closer to the day to day operations of the port and with a mind towards the port's specific environment. As such, these provisions are best addressed in the operations manual rather than the regulations and we urge the Coast Guard to alter the proposed rule accordingly.

If we may provide any further information concerning this matter, please do not hesitate to telephone me at 225-379-1235.

Very Truly Yours,

Terry W. Gee Executive Director

LA. Offshore Terminal Authority